

NEW ORLEANS BALLET ASSOCIATION**Financial Statements****June 30, 2007 and 2006****(With Accountant's Review Report Thereon)**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/30/08

MICHAEL A. PLEMER
CERTIFIED PUBLIC ACCOUNTANT
"Small Business Specialist"

Accountant's Review Report

**To the Board of Directors
New Orleans Ballet Association**

I have reviewed the accompanying statements of financial position of the New Orleans Ballet Association as of June 30, 2007 and 2006, and the related statements of activities and net assets and cash flows for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements are the representation of the management of the New Orleans Ballet Association.

A review consists principally of inquiries of association's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the association's accompanying 2007 and 2006 financial statements in order for them to be in conformity with generally accepted accounting principles. I am attaching a schedule of expenditures of government grants which were subjected to the same review as the financial statements for 2007.



**New Orleans, Louisiana
October 1, 2007**

EIN 72-1188147

NEW ORLEANS BALLET ASSOCIATION

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NEW ORLEANS BALLET ASSOCIATION
Statements of Financial Position
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Cash	\$ 937,560.	601,926.
Investments-currently available (note 2)	59,867.	57,024.
Accounts and grants receivable	20,980.	38,398.
Prepaid expenses	1,653.	6,530.
Assets held for permanently restricted net assets:		
Funds held in trust by others (note 3)	158,848.	137,998.
Totals	\$ <u>1,178,908.</u>	<u>841,876.</u>
 <u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 61,083.	24,723.
Deferred revenues	502,041.	272,226.
Total liabilities	<u>563,124.</u>	<u>296,949.</u>
 <u>Net assets</u>		
Unrestricted	182,731.	382,724.
Temporarily restricted	274,205.	24,205.
Permanently restricted	158,848.	137,998.
Total net assets	<u>615,784.</u>	<u>544,927.</u>
Totals	\$ <u>1,178,908.</u>	<u>841,876.</u>

See accompanying notes and accountant's review report to financial statements.

NEW ORLEANS BALLET ASSOCIATION
Statements of Activities
For the years ended June 30, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
				<u>2007</u>
				<u>2006</u>
Revenues, Gains & Other Support:				
Contributions	\$ 391,541.	0.	0.	211,417.
Government grants	170,220.	0.	0.	122,074.
Performances	381,601.	0.	0.	123,745.
Special events-Bravo	279,359.	0.	0.	61,294.
Interest and dividends	27,903.	0.	0.	13,586.
Miscellaneous	0.	0.	0.	17,330.
Net assets added (deducted) to/from restrictions	<u>(250,000.)</u>	<u>250,000.</u>	<u>0.</u>	<u>0.</u>
Total revenues, gains & other support	<u>1,000,624.</u>	<u>250,000.</u>	<u>0.</u>	<u>549,446.</u>
Expenses:				
Programming	759,473.	0.	0.	249,246.
Special events-Bravo	163,097.	0.	0.	32,116.
Selling, general & administrative	278,047.	0.	0.	298,292.
Total operating expenses	<u>1,200,617.</u>	<u>0.</u>	<u>0.</u>	<u>579,654.</u>
Increase (decrease) in net assets from operations	(199,993.)	250,000.	0.	(30,208.)
Other changes:				
Endowment earnings (loss) not in current operations	0.	0.	20,850.	11,316.
(Decrease) increase in net assets	(199,993.)	250,000.	20,850.	(18,892.)
Net Assets - beginning of year	382,724.	24,205.	137,998.	563,819.
Net Assets - end of year	<u>\$ 182,731.</u>	<u>274,205.</u>	<u>158,848.</u>	<u>544,927.</u>

See accompanying notes and accountant's review report to financial statements.

NEW ORLEANS BALLET ASSOCIATION
Statements of Cash Flows
For the years ended June 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 70,857.	(18,892)
Adjustment to reconcile (decrease) increase from operations to net cash (used) provided by operating activities:		
Changes in:		
Accounts and grants receivable	17,418.	6,974.
Prepaid expenses	4,877.	14,158.
Accounts payable and accrued expenses	36,360.	(13,442)
Deferred performance revenues	<u>229,815.</u>	<u>41,296.</u>
Net cash provided in operating activities	<u>359,327.</u>	<u>30,094.</u>
Cash flows from investing activities:		
(Earnings) from funds held in trust by others	<u>(20,850.)</u>	<u>(6,732)</u>
Net cash (provided) by investing activities	<u>(20,850.)</u>	<u>(6,732)</u>
 Net increase in cash	 338,477.	 23,362.
Cash or cash equivalents - beginning of year	<u>658,950.</u>	<u>635,588.</u>
Cash or cash equivalents - end of year	\$ <u>997,427.</u>	<u>658,950.</u>

See accompanying notes and accountant's review report to financial statements.

NEW ORLEANS BALLET ASSOCIATION
Notes to Financial Statements
June 30, 2007

Note 1 -Description of the Organization and Summary of Significant Accounting Policies

(a) Organization

The New Orleans Ballet Association (the Association) is a not-for-profit organization chartered on August 14, 1969 with a name change becoming effective October 18, 1991. It engages principally in the promotion of dance through live performances and also the encouragement and development of an appreciation of dance.

Unrestricted Funds include funds received from subscription revenues, contributions and grants from both individuals, corporate and government entities which impose no restrictions on the Association as to their use or purpose. Such funds are expended for charitable purposes and the promotion of dance as deemed appropriate by the Board of Directors of the Association.

Temporarily Restricted Funds include funds that are donor designated gifts and grants, whereby the donor at the time of the gift may specifically identify the type of charitable or dance activity to be benefitted and provide guidelines for the timing of distribution. These type of funds are handled by the Association as a service to donors and beneficiaries. In addition, the unexpended income derivable from permanently restricted funds is recorded in those funds. Also, some Temporarily Restricted Funds are designated by the Board of Directors for specific purposes and will be used in over the upcoming year.

Permanently Restricted Funds includes an endowment which provided that the principal assets of its trust fund are to be maintained inviolate and in perpetuity.

(b) Summary of Significant Accounting Policies

New Donations

New donations are accrued when all the events required for the transfer of the assets from the donor to the Association have occurred.

Promises To Give

Contributions or grants are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions or grants that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NEW ORLEANS BALLET ASSOCIATION
Notes to Financial Statements
June 30, 2007

Note 1 -Description of the Organization and Summary of Significant Accounting Policies (continued)

(b) Summary of Significant Accounting Policies

Investments

The Association records donated securities at their fair market value at the date of donation. Investments are shown in the financial statements at approximate current market value. Realized and unrealized gains and losses are included in the statement of activities.

Dividend and interest income from investments is accrued as the income is earned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

© Income Tax Status

The Association is exempt from federal income taxes under section 501 (c)(3) of the U.S. Internal Revenue Code. Gifts to the Association are tax deductible.

Note 2 - Investments

Investments in currently available accounts are shown at market values. These investments are in mostly government securities located in fixed income money-market type funds. The market values and cost of these investments are:

		<u>June 30, 2007</u>		<u>June 30, 2006</u>	
		Cost or		Cost or	
		Market	Assigned	Market	Assigned
		<u>Value</u>	<u>Amount</u>	<u>Value</u>	<u>Amount</u>
Fixed income funds	\$	<u>59,867.</u>	<u>31,033.</u>	<u>57,024.</u>	<u>31,033.</u>

NEW ORLEANS BALLET ASSOCIATION

Notes to Financial Statements

June 30, 2007

Note 3 - Funds Held in Trust by Others

The Association has an endowment fund held by The Greater New Orleans Foundation which is the trustee. This fund originated from a grant by the Arts Council of New Orleans under its Partnership Endowment Grant Program through the National Endowment for the Arts. Under the terms of this endowment fund, the Association in a prior year contributed \$22,500 in order to receive the accumulated balance in the fund since 1987 (the date of the grant). The Association is allowed to withdraw only 4% annually of the endowment fund's average balance over the last twelve quarters which for the year's ended June 30, 2007 and 2006 amounted to \$5,087 and \$4,583, respectively. The Association did receive its annual distributable funds of \$5,087 which it reinvested back into this endowment by June 30, 2007. This endowment continues for as long as the Association is in legal existence.

		<u>2007</u>	<u>2006</u>
Market value	\$	<u>158,848.</u>	<u>137,998.</u>

Note 4 - Building Lease

The Association's office rent for the year ended June 30, 2007 and 2006 was \$8,500 and \$7,671, respectively and this lease was terminated due to damaged caused by Hurricane Katrina to the building it occupied. Effective July 1, 2007, the Association has moving into new office space being supplied in part by one of its loyal benefactors. This lease is for three years at an annual costs of \$8,500.

SUPPLEMENTAL INFORMATION

NEW ORLEANS BALLET ASSOCIATION
Schedule of Expenditures of Government Grants
June 30, 2007

<u>Government Agency and Grant Number</u>	<u>Program Supported</u>	<u>Period of Grant</u>	<u>Amount Granted</u>
1. National Endowment			
#06-3300-7081	Main Stage	Dec 2006	\$ 20,000.
#04-3300-1145		Apr 2007	\$ 20,000.
2. Southern Arts Federation			
#2768/2007	Noche Flamence	Dec 2006	\$ 6,280.
#2679/2006	Technical Assistance	Jun 2007	\$ 2,500.
#2973/2006	Technical Assistance	Jun 2007	\$ 2,500.(b)
3. Louisiana Office of Cultural Development, Division of the Arts			
#F/Y 07-155-1	General Operations	Jun 2007	\$ 20,000.
#F/Y 07-157-1	General Operations	Jun 2007	\$ 45,000.(a)
#F/Y 07-204-1	Educational	Jun 2007	\$ 5,000.
4. Arts Council of N. O.			
#FY2007-33	American Ballet	Mar 2007	\$ 3,200.
#FY2006.53	General Operations	Jun 2007	\$ 10,740.©
5. LA Business Recovery			
#LA0307SC16040	General Operations	Jun 2007	\$ 10,000.
6. Neighborhood 1			
#50-277	Educational	Jun 2007	\$ <u>25,000.</u>
	Total Government Grants		\$ <u>170,220.</u>

(Continued)

NEW ORLEANS BALLET ASSOCIATION
Schedule of Expenditures of Government Grants
(Continued)
June 30, 2007

Notes to Schedule:

- a. This represents the total of the Louisiana DOA grant of which \$17,500 is in receivables at 6/30/2007.**
- b. This represents the total of the Southern Arts Federation grant of which \$2,500 is in receivables at 6/30/2007.**
- c. This represents the total of the Arts Council of New Orleans grant of which \$800 is in receivables at 6/30/2007.**
- d. All of the above grants (except as noted above) have been fully received and if allocated for a specific program those programs have all been performed and proper supporting documents have been filed with those respective agencies. In addition, all of the above listed grants were in cash and there was not any non-cash governmental assistance.**
- e. Since the Association received less than \$300,000 in Federal grants for the year it is exempt from Federal audit requirements under OMB's Circular No. A-133 "Audit of States, Local Governments and Non-Profit Organizations" (revised June 24, 1997) although the Association records are available for review or audit by any appropriate Federal, City or State agencies. These financial statements and schedule conform to that OMB circular's requirements.**

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors
New Orleans Ballet Association:

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the New Orleans Ballet Association, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the New Orleans Ballet Association compliance with certain laws and regulations during the year ended June 30, 2007, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of all Federal, state and local award expenditures for the fiscal year by grant and grant year. The New Orleans Ballet Association's award expenditures for all programs for the fiscal year ended June 30, 2007 are being reported in the Accountant's Review Report's supplemental information..
2. For each Federal, state, and local award, I selected appropriate disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee. I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.
4. For the items selected in procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account. All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the six disbursements received approval from proper authorities. Inspection of documentation supporting each of the six selected disbursements indicated approvals from the financial officer and executive director.
6. For the items selected in procedure 2, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree. The six disbursements selected included two Federal programs that were closed out during the period of my review. I compared the close-out reports for these two Federal programs with the entity's financial records. The amounts reported on the close-out reports agreed to the entity's financial records.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law). New Orleans Ballet Association is only required to post a notice of each meeting and the accompanying agenda on the door of the New Orleans Ballet Association's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance. New Orleans Ballet Association provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

I was not engaged to, nor did I perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of New Orleans Ballet Association, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "William B. Smith", is written over a horizontal line.

October 1, 2007

-End-

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

8/21/2007 (Date Transmitted)

Michael A. Plemer, CPA

170 Broadway Street, Suite 315

New Orleans, La. 70118

(Auditors)

In connection with your review of our financial statements as of
June 30, 2007 and for the period then ended, and as required by
Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the
following representations to you. We accept full responsibility for our compliance with the
following laws and regulation and the internal controls over compliance with such laws and
regulations. We have evaluated our compliance with the following laws and regulations prior to
making these representations.

These representations are based on the information available to us as of (date of
completion/representation).

August 21, 2007

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal
year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of
original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local
programs we administer, to include matters contained in the OMB Compliance Supplement,
matters contained in the grant awards, eligibility requirements, activities allowed and unallowed,
and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required
by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [☒] No [☐]

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [☒] No [☐]

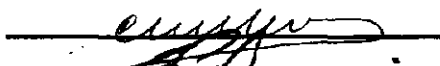

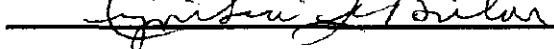
Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

	Secretary	8/22-07	Date
	Treasurer	8/22/07	Date
	President	8/22-07	Date